January 29, 2004

SUBJECT: RSA Financial Responsibilities

    TO: Research Leaders/Center Directors
           Location Administrative Officers
           Scientists and Secretaries

 FROM: Adrianna D. Hewings /s/
           Director, Midwest Area

It has come to my attention that we must pay closer attention to ARS financial accountability for some of the Midwest Area Research Support Agreements at some locations. For those of you who have managed your accounts well, thank you for your diligence. For those of you who have been lax, please work with us to ensure that we maintain appropriate accountability so that we can maintain RSA purchasing authority into the future. The RSA accounts need to be managed with the same financial management diligence as exercised with all ARS accounts. Unfortunately, this does not appear to be the current financial practice with some of the Midwest Area Locations. Consequently, additional internal controls will be put in place as soon as possible to insure accountability. Effective immediately, requisitions for all goods and services purchased through the RSA will be logged as they occur. All RSA accounts must be reconciled with the University Ledgers within two weeks of receipt and verified with the University Monthly Management Report by the ADODR.

The LAO is the ADODR for the RSA, and as such, is legally responsible for the financial management of the agreement. Therefore, the RL's must work with the LAO to determine Location personnel roles and responsibilities for the best management of the Research Support Agreement.

Overestimates occurring at the end of the past fiscal years have left the Midwest Area with thousands of programmatic dollars lost due to inefficient fund management. Underestimates occurring at the end of the fiscal year have heightened HQTRS awareness of Area fund control deficiencies.   Both overestimates and underestimates do not reflect a clear final status of Location CRIS activities.

The following is a listing of mandatory responsibilities for Location personnel involved in the financial management of the RSA:

RL Responsibilities
- RL's plan for goods and services to be obtained via the RSA during the ARMPS cycles using the ARMPS Form ARS-550. AD approval constitutes certification that the intended use of the RSA is in accordance with ARS and MWA policy.

- RL's use AD-700's to request goods and services via the LAO. The initial FY AD-700 and task order should match the ARMPS Form ARS-550. The following minimum details are required on AD-700's:

  - Description and amount of supplies and materials requested.
  - Description and amount of services requested.
  - Listing of occupational categories with corresponding duties and qualifications or personal services requested.
  - Dates or timeframes for delivery of goods or performance of services.
  - An Accounting Code(s).

- RL's certify receipt of goods and services including quantity and quality by reviewing and signing each University Monthly Management Report.

LAO (as ADODR) Responsibilities:
- The LAO is administratively responsible for receiving, reviewing and determining appropriateness of requests received from the RL's for acquisition of goods and services.

- The LAO verifies the accuracy of the University Monthly Management Reports based upon documentation (i.e. receipts, packing slips, delivery tickets, work orders, etc.)

- The LAO manages funds including obligation and deobligation of funds during the fiscal year with a frequency to deter overobligations and underobligations on account balances.

As a reminder, the following RSA agreement policies must be emphasized and followed:
1. The RSA shall not be used to avoid or circumvent established Federal procurement, property, or personnel procedures.
2. The RSA shall not be used to give a particular person a temporary or intermittent appointment in anticipation of a Federal appointment.
3. The RSA shall not be used to avoid competitive Federal employment procedures.
4. Payments to the University are made for **actual direct costs** incurred, open blanket arrangements within the RSA accounts are not allowed.

cc:
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